

Panel: A Discussion on Private Sector Partnerships

Bruce McNamer from Technoserve moderated this panel that examined four pairings of PVOs/NGOs with private sector companies, looking at the mutual benefits, common threads, potential pitfalls, and other characteristics of partnerships occurring in various contexts.

Ms. Holly Wise from USAID's Global Development Alliance provided some overarching context, explaining that Global Development Alliance has been working in the partnership mode with some success, leveraging huge resources from government funding for development activities. Recent efforts have sought to reposition USAID according to a new reality that sees a smaller role for government, more players in the field, new wealth, more think tanks and universities, and a great wave of philanthropy. Ms. Wise observed that partnering is not just about combining funds, or fundraising, but about figuring out how to engage in real, sustained partnerships and how to leverage resources from private corporations to work effectively in the nonprofit sector. The "stories" told by the partners themselves provided insight into how to form and keep good partnerships and how to make the partnership work for both parties.

Aid to Artisans (Clare Brett Smith) + American Express Philanthropic Program (Cornelia Higginson)

The Aid to Artisans (ATA)-American Express (AmEx) partnership is one based largely on trust and shared values. ATA meshed well with the two areas of focus for AmEx's philanthropy: cultural heritage and economic independence. ATA pulls both themes together because it provides the assistance that gifted groups of grassroots people need to make a living at what they do. A current project in Mexico seeks to give indigenous potters a market for their products and to eliminate their traditional use of toxic lead-based glazes. Use of lead paints endangers the physical and mental health of the potters and their families, especially children.

AmEx's "carrot" to stop the harmful custom of using lead in glazes was to make the marketplace effective for the artisans, so they would be *willing* to change. ATA credits AmEx for being brave and confident enough in the project and in the nonprofit organization's mission to become a founding partner. And while the grant has ended, the passion for the project in Mexico has kept it going, with American Express in Mexico doing the marketing and PR and promoting the program heavily in its external communications.

Ultimately, ATA is leveraging so much more than AmEx dollars. The power of this partnership includes the fact that ATA can put a human face on the impact it is having. The Global Development Alliance, which has field offices around the world and allocates small amounts of funds to missions and bureaus doing work on the ground, assisted the Mexico alliance through seed money.

Freedom From Hunger (Rob Davis) + GlaxoSmithKline Global Community Partnerships (Richard South)

This partnership was able to converge on an important mission area for GlaxoSmithKline (GSK): its commitment to develop medications for underserved populations and to sell drugs at preferential prices to those communities. This purpose led it to Freedom From Hunger (FFH), whose focus on healthcare and education overlapped two main areas of interest for GSK, which also liked FFH's open, communicative and collaborative approach. The two partners targeted a clear, unmet need, in this case, around combating Malaria. This focus included a huge need for education, as people did not understand the causes of Malaria. GSK's particular focus was on information, communication, and education, not on creating a market for its products. GSK brings to the table in-kind services and media communications to its stakeholders. It can also leverage contacts and connections in many countries.

The partners both found the personal relationships that create trust to be invaluable. FFH credited GSK's involvement and brand name brought added cachet and credibility to the work of FFH, which in turn provided GSK with immediate access to 150,000 women.

So as not to compromise its mission and to mitigate any concerns about being "an apologist" to GSK, FFH conducted a quick due diligence, and found that GSK was not asking the nonprofit to do anything that compromised its mission. However, the partnership has prompted a dialog within the FFH organization as to where the lines should be and what questions should be asked when partnering with the private sector. Both agreed it is important to "lay all the cards on the table" at the outset. FFH and GSK are in the process of expanding their partnership from West Africa to India.

INMED Partnerships for Children (Linda Pfeiffer) + The Monsanto Fund (Deborah Patterson)

Mutual trust and respect has led to programs around the world focusing on partnership with other NGOs. INMED and Monsanto's partnership began five years ago and has grown over the years to serve more than 100,000 children in six states and Brazil. USAID in Brazil is the local partner on the ground, with Monsanto serving as INMED's funding partner.

Both partners emphasized the importance of partnership at *many* levels; all the various levels have a real interest in the project, and it is crucial that they all be involved. Also of critical importance is to have a clear understanding of the roles within the partnership and to always maintain flexibility. Brazil was a geopolitical area of interest for USAID so the partnership was reformulated there.

Having the right partners makes all the difference. The fact that INMED understood its partner's business and its evolution over the last five years proved key to the partnership's sustainability. "INMED understood where we were going and how to get on board with us," observed Ms. Patterson. That is important. Relationship management is key, and partners must spend a whole lot of time together.

"This could have been just a grant, but it has been the *listening* that has made it grow."

—Deborah Patterson, *The Monsanto Fund*

Trust is another important element. Monsanto staff were novices when they took the grant international. But a result of constant communications with INMED during the Brazil project, Monsanto grew to trust INMED's knowledge and expertise and leveraged that to develop a strategy for its international grant-making program for developing countries. "INMED has helped us build a vision around what we can and should do."

To be sustainable, partnerships require common ground, leadership at many levels, and accountability for outcomes. Ms. Wise noted that partners also need to decide certain things up front with regard to how they will talk about issues that arise, especially those that are controversial and may undermine forward progress (e.g., bio-tech, malaria and pharmaceutical companies, etc.).

Fundación Alvaralice (Maria Eugenia Garcés Campagna) + Synergos Institute (Andrew Sillen)

Fundación Alvaralice is a nonprofit foundation set up by members of the Garcés Echavarría family in memory of their parents and in line with their civic spirit and commitment to Colombia's social development. The Fundación is dedicated to improving the well-being and social fabric of Colombia through programs and alliances with other institutions focused on education, healthcare, housing, microfinance, and job creation. Synergos was formed in the 1960s to address global poverty. Synergos also supports community grant-making organizations in the developing world, and seeks to bridge the private philanthropic world of wealth and the communities in which it operates.

These partners said the key to building strong projects that involve all stakeholders is to recognize that each has different interests and is motivated by different things. Private philanthropists have a range of infrastructure resources; Synergos bridges the capacity gap so that people can engage in other sectors.

The Fundación's Restorative Justice Project addresses problems of growing socio-economic disparity and needed social and economic development in Colombia, attributable largely to the country's long, violent history. A major upcoming event to call attention to these issues is the "Symposium for Restorative Justice and Peace in Colombia 2005, which features Archbishop Desmond M. Tutu as a keynote speaker. The project has also secured the involvement of Canada, Netherlands, Belgium, and France, and will travel through many cities.

In answering the question of how to facilitate partnership or funding around philanthropists, Mr. Sillen replied that successful partnerships involve not making a "pitch," but having an iterative discussion. "How you pivot the needs of both toward an agreed-upon end is how you make the job interesting and the results worthwhile," he said.

"Nothing that is good and sustainable comes to a donor 'fully cooked'. It is important to key into the core needs of an organization to elicit better and more sustainable giving on the company's part."

—Andrew Sillen, Synergos Institute

Questions to Panel

A participant identified the point of entry as the place where his organization is having difficulty and asked for advice on how to get a foot in the door.

Ms. Patterson of the Monsanto Fund advised organizations to think about multiple areas of entrée, beyond just the foundation. She also urged that people do their homework to ensure that the initial idea is in alignment with "who" that company is—to understand the company's growth curve and emerging markets. Robb Davis of Freedom From Hunger pointed out that local connections matter. Companies that are trying to create markets in poor areas are looking to help people put things on the ground that can make a difference.

"You can't come in saying you want a partnership. That's like saying you want to get married on the first date. I always say let me run it by my local colleagues to see if it resonates...it's a long and winding road."

—Cornelia Higginson, American Express Philanthropic Program

Asked if any of its private-sector companies involve employees in nonprofit initiatives, Dr. South said GSK has a variety of different programs, with which staff can volunteer, including centers around the world where staff go and help out with children's camps, for example. GSK also has fund-matching programs.

Ms. Wise noted that USAID values all partnerships, including those not represented on the panel, where marketing for the firm is an explicit part of the relationship (e.g., Green Mountain Coffee). She urged participants to seek out new ways to partner. Young people, for example, have a different need and a different philanthropy that excites them. "Look at the bottom of the pyramid," she added, "there is much energy around being able to show what the business case is—how what your organization can do will affect the company's bottom line."

Summary

The panel observed that in the area of private sector partnerships, sustainability calls for partners and would-be partners to:

- Have common ground, leadership at many levels, and accountability for outcomes.
- Focus on trust, people, and on managing those relationships.
- Consider ways to be agile and move in circles other than those that are customary.

USAID encourages nonprofits to seek out new ways to link with the private sector and the new generation of foundations, which have a different need and a different philanthropy.

Conference Close

Ms. Gilmore thanked all panels and participants for a “wonderful job,” noting the added richness supplied by so many overseas participants. It is clear—there are both tremendous challenges and amazing rewards of being a good NGO.